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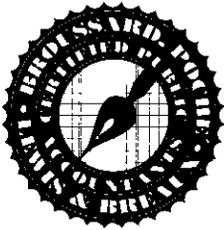
**SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION
FINANCIAL REPORT
JUNE 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-9-05

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southwest Louisiana Area Health
Education Center Foundation
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) as of June 30, 2004 and 2003, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Louisiana Area Health Education Center Foundation as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 7, 2004, on our consideration of Southwest Louisiana Area Health Education Center Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Southwest Louisiana Area Health Education Center Foundation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Broussard, Poche, Lewis + Proulx, LLP.

Lafayette, Louisiana
December 7, 2004

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENTS OF FINANCIAL POSITION
June 30, 2004 and 2003

ASSETS	<u>2004</u>	<u>2003</u>
CURRENT ASSETS		
Cash	\$ 368,230	\$ 358,410
Due from other agencies	411,424	303,036
Prepaid expenses	<u>1,040</u>	<u>-</u>
Total current assets	<u>\$ 780,694</u>	<u>\$ 661,446</u>
FIXED ASSETS		
Property and equipment, net	<u>\$ 42,502</u>	<u>\$ 39,029</u>
Total assets	<u>\$ 823,196</u>	<u>\$ 700,475</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 99,716	\$ 68,646
Accrued liabilities	18,443	19,121
Due to other agencies	2,402	635
Deferred revenue	<u>10,000</u>	<u>3,333</u>
Total current liabilities	<u>\$ 130,561</u>	<u>\$ 91,735</u>
NET ASSETS		
Unrestricted	\$ 606,235	\$ 536,875
Temporarily restricted	<u>86,400</u>	<u>71,865</u>
Total net assets	<u>\$ 692,635</u>	<u>\$ 608,740</u>
Total liabilities and net assets	<u>\$ 823,196</u>	<u>\$ 700,475</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Grant revenue	\$ 2,413,534	\$ 16,559	\$2,430,093
Sponsor income	-	28,112	28,112
Interest income	1,611	-	1,611
Matching sites revenue	207,411	-	207,411
Miscellaneous revenue	41,899	5,960	47,859
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>36,096</u>	<u>(36,096)</u>	<u>-</u>
Total revenues, gains, and other support	<u>\$ 2,700,551</u>	<u>\$ 14,535</u>	<u>\$2,715,086</u>
EXPENSES AND LOSSES			
<i>Program expenses:</i>			
Medical Job Fair	\$ 26,817	\$ -	\$ 26,817
Post Secondary/Medical	38,807	-	38,807
Tobacco Control	26,199	-	26,199
Pfizer	89,565	-	89,565
HIV/AIDS- HAP	91,238	-	91,238
MASH	12,299	-	12,299
Parent Liaison	34,577	-	34,577
Tobacco Control - Coalition	42,032	-	42,032
SAMHSA - SHIP	129,267	-	129,267
Americorps	483,457	-	483,457
RWJ	183,231	-	183,231
Injury Prevention - Region IV	46,338	-	46,338
Injury Prevention - Region V	52,965	-	52,965
Project Cares	291,520	-	291,520
WIC - Region IV	79,874	-	79,874
WIC - Region V	85,934	-	85,934
HIV - CDC	211,645	-	211,645
CDC - SNAP	30,263	-	30,263
DHH Recruiter	44,501	-	44,501
Diabetes Control	40,361	-	40,361
Musicians Clinic	22,066	-	22,066
Other programs	74,933	-	74,933
General and administrative expenses	<u>493,302</u>	<u>-</u>	<u>493,302</u>
Total expenses and losses	<u>\$ 2,631,191</u>	<u>\$ -0-</u>	<u>\$2,631,191</u>
Change in net assets	\$ 69,360	\$ 14,535	\$ 83,895
Net assets, beginning of year	<u>536,875</u>	<u>71,865</u>	<u>608,740</u>
Net assets, end of year	<u>\$ 606,235</u>	<u>\$ 86,400</u>	<u>\$ 692,635</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Grant revenue	\$ 2,345,493	\$ 8,398	\$2,353,891
Sponsor income	-	37,740	37,740
Interest income	2,447	-	2,447
Matching sites revenue	86,326	-	86,326
Miscellaneous revenue	16,174	23,641	39,815
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>52,725</u>	<u>(52,725)</u>	<u>-</u>
Total revenues, gains, and other support	<u>\$ 2,503,165</u>	<u>\$ 17,054</u>	<u>\$2,520,219</u>
EXPENSES AND LOSSES			
Program expenses:			
Medical Job Fair	\$ 101,707	\$ -	\$ 101,707
PCE 120	17,806	-	17,806
Tobacco Control	16,294	-	16,294
AHEC of a Summer	16,388	-	16,388
Pfizer	105,756	-	105,756
HIV/AIDS- HAP	129,916	-	129,916
MASH	11,969	-	11,969
Parent Liaison	34,853	-	34,853
Tobacco Control - Coalition	9,758	-	9,758
Americorps	284,526	-	284,526
Tobacco Control-Resource	22,858	-	22,858
RWJ	173,716	-	173,716
Injury Prevention - Region IV	46,650	-	46,650
Injury Prevention - Region V	46,629	-	46,629
Project Cares	273,587	-	273,587
WIC - Region IV	90,671	-	90,671
WIC - Region V	104,804	-	104,804
HIV - CDC	185,408	-	185,408
Telemedicine	177,056	-	177,056
DHH Recruiter	7,154	-	7,154
Diabetes Control	23,115	-	23,115
Other programs	64,876	-	64,876
General and administrative expenses	<u>356,440</u>	<u>-</u>	<u>356,440</u>
Total expenses and losses	<u>\$ 2,301,937</u>	<u>\$ -0-</u>	<u>\$2,301,937</u>
Change in net assets	\$ 201,228	\$ 17,054	\$ 218,282
Net assets, beginning of year	<u>335,647</u>	<u>54,811</u>	<u>390,458</u>
Net assets, end of year	<u>\$ 536,875</u>	<u>\$ 71,865</u>	<u>\$ 608,740</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 83,895	\$ 218,282
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,087	10,793
(Increase) decrease in due from other agencies	(108,388)	5,420
Increase in prepaid expenses	(1,040)	-
Increase (decrease) in accounts payable	31,070	6,404
Increase (decrease) in accrued liabilities	(678)	1,111
(Increase) decrease in due to other agencies	1,767	(974)
Increase (decrease) in deferred revenue	<u>6,667</u>	<u>3,333</u>
Net cash provided by operating activities	<u>\$ 26,380</u>	<u>\$ 244,369</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>\$ (16,560)</u>	<u>\$ (8,398)</u>
Increase in cash	\$ 9,820	\$ 235,971
Cash, beginning of year	<u>358,410</u>	<u>122,439</u>
Cash, end of year	<u>\$ 368,230</u>	<u>\$ 358,410</u>

See Notes to Financial Statements.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Southwest Louisiana Area Health Education Center Foundation (SWLAHEC) is a Louisiana nonprofit corporation chartered on March 7, 1991. Its purpose is to operate an area health education center in Southwest Louisiana in order to plan for additional clinical educational opportunities in rural and underserved communities.

Significant accounting policies:

Basis of accounting:

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting.

Income tax status:

The Foundation is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

Support and expenses:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction, that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions. Approximately 19% of the total revenues, gains and other support for SWLAHEC is provided by Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Health Sciences Center (LSUHSC). LSUHSC has been awarded a grant by the state government, and the agreement entered into between LSUHSC and SWLAHEC for providing services fulfills the purpose of the grant.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

Allowance for doubtful accounts:

The Foundation considers accounts receivable/due from other agencies to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Compensated absences:

Employees of SWLAHEC earn leave in varying amounts depending upon length of service. At the end of each year, employees may carryforward time earned but not taken with a maximum allowable carryover of unused time of ten days. Subject to the above limitation, unused time is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 2004 and 2003, accrued annual leave totaled \$18,010 and \$18,010, respectively.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated services:

SWLAHEC receives donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statements of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

Cash and cash equivalents:

For the purposes of the statement of cash flows, SWLAHEC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property, plant and equipment:

Property, plant and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds, excluding those purchased under the LSUHSC agreement as discussed below, are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the asset must be used, the Foundation has adopted a policy of implying a time restriction that expires over the useful life of the assets. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Estimated useful lives range from 5 to 7 years.

NOTES TO FINANCIAL STATEMENTS

The cost of office furniture and equipment purchased under the cooperative endeavor between LSUHSC and SWLAHEC has not been capitalized. Title to the equipment purchased under this agreement remains with LSUHSC. The total cost of equipment at June 30, 2004 and 2003, purchased under the cooperative endeavor with LSUHSC was \$180,755 and \$166,888, respectively.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. Concentration of Credit Risk

SWLAHEC maintains cash and time deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) coverage in banks. FDIC coverage is \$100,000 per bank. At June 30, 2004, the SWLAHEC's uninsured balances in both banks the Foundation has accounts with totaled \$212,568.

Note 3. Due From Other Agencies

Due from other agencies consisted of the following at June 30, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Other Regional AHEC's	\$ 415	\$ 8,430
State of Louisiana	390,740	276,335
Others	<u>20,269</u>	<u>18,271</u>
	<u>\$ 411,424</u>	<u>\$ 303,036</u>

Note 4. Property, Plant and Equipment

Property and equipment consisted of the following at June 30, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Equipment	\$ 70,273	\$ 54,438
Furniture and fixtures	<u>8,826</u>	<u>8,102</u>
	\$ 79,099	\$ 62,540
Less accumulated depreciation	<u>(36,597)</u>	<u>(23,511)</u>
	<u>\$ 42,502</u>	<u>\$ 39,029</u>

Depreciation expense for the years ended June 30, 2004 and 2003 was \$13,087 and \$10,793, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Benefits

SWLAHEC maintains a 401(k) Retirement Plan for its employees. Generally all employees are eligible to participate in the plan. The Foundation's contribution was 4% of gross payroll for each eligible participant in fiscal years 2004 and 2003. Contributions made by the SWLAHEC for the fiscal years ended June 30, 2004 and 2003, were \$25,219 and \$17,898, respectively.

Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2004 and 2003:

	2004	2003
Unexpended contributions:		
New Doc on the Block	\$ 12,353	\$ 4,019
Medical Job Fair	23,253	20,090
Musician's Clinic	3,764	7,527
Other programs	4,528	1,200
Equipment	42,502	39,029
Totals	\$ 86,400	\$ 71,865

NOTES TO FINANCIAL STATEMENTS

Note 7. Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or the expiration of time during the years ended June 30, 2004 and 2003, as follows:

	<u>2004</u>	<u>2003</u>
Purpose restrictions accomplished:		
Medical Job Fair	\$ 5,497	\$ 23,920
AHEC of a Summer	-	2,350
MASH	-	4,646
Musician's Clinic	3,763	2,473
New Doc on the Block	10,716	8,043
Other programs	3,034	500
Time restriction expired:		
HIV/AIDS- HAP	395	229
HIV - CDC	2,841	1,742
Tobacco Control	92	92
Project Cares	1,692	1,692
Parent Liaison	414	414
Other	1,264	1,515
Americorps	253	42
RWJ	3,963	3,633
Abstinence	310	310
SAMHSA - SHIP	676	536
Pfizer	588	588
DHH Recruiter	261	-
Injury Prevention V	<u>337</u>	<u>-</u>
 Totals	 <u>\$ 36,096</u>	 <u>\$ 52,725</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Natural Classification of Expenses

Expenses incurred were for the following for the year ended June 30, 2004 and 2003:

2004:	Medical Job Fair	Post Secondary/ Medical	Tobacco Control	Pfizer	(HAP) HIV/AIDS	MASH
Salary	\$ 15,718	\$ 26,588	\$10,103	\$16,203	\$ 59,413	\$ -
Payroll tax	1,271	1,162	814	1,226	4,692	-
401(k) contribution	-	1,494	67	598	2,329	-
Insurance	253	4,498	466	667	4,811	308
Repairs and maintenance	-	-	-	-	-	-
Depreciation	-	-	92	588	396	-
Supplies	3,619	576	6,747	189	3,255	844
Telephone/ utilities	154	382	997	686	2,744	254
Travel	849	797	2,662	1,424	6,109	230
Contract services	400	-	504	64,800	-	25
Postage	809	10	135	338	219	499
Printing	1,348	79	715	586	1,291	37
Stipends	-	-	-	-	100	-
Consulting	286	590	594	200	820	6,844
Rent	-	-	1,125	1,037	3,886	-
Dues and subscriptions	-	-	-	-	-	-
Equipment	134	69	-	-	(97)	-
Conference registration	-	2,474	185	195	775	-
Books and audio-visuals	-	-	56	-	-	987
Meetings	1,948	88	282	806	445	2,271
Other	28	-	655	22	50	-
Totals	<u>\$ 26,817</u>	<u>\$ 38,807</u>	<u>\$26,199</u>	<u>\$89,565</u>	<u>\$ 91,238</u>	<u>\$12,299</u>

NOTES TO FINANCIAL STATEMENTS

<u>Parent Liaison</u>	<u>Tobacco Control-Coalition</u>	<u>SAMHSA-SHIP</u>	<u>Americorps</u>	<u>RWJ</u>	<u>Injury Prevention-Region IV</u>	<u>Injury Prevention-Region V</u>
\$24,359	\$ 23,962	\$ 36,071	\$ 411,871	\$ 78,290	\$ 27,272	\$ 28,284
1,932	1,910	2,881	31,802	6,320	2,162	2,431
974	67	569	1,032	3,228	645	165
4,642	5,296	4,248	33,150	6,500	3,266	3,565
-	-	450	-	293	-	-
414	-	676	253	3,963	-	337
605	5,095	2,458	1,362	6,619	7,542	14,211
3	797	2,523	620	3,676	3	-
865	721	3,828	1,285	14,988	2,643	2,771
-	-	59,478	120	13,700	-	-
41	172	271	76	516	-	66
-	99	451	20	1,371	-	-
-	-	-	-	-	-	-
-	1,064	1,860	-	31,780	100	-
-	800	7,449	1,600	-	-	-
-	-	-	-	-	-	-
559	-	729	-	335	-	442
25	1,008	1,015	210	1,794	371	95
-	-	2,356	-	-	1,849	209
126	169	1,807	-	8,608	485	260
<u>32</u>	<u>872</u>	<u>147</u>	<u>56</u>	<u>1,250</u>	<u>-</u>	<u>129</u>
<u>\$34,577</u>	<u>\$ 42,032</u>	<u>\$129,267</u>	<u>\$ 483,457</u>	<u>\$183,231</u>	<u>\$ 46,338</u>	<u>\$ 52,965</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Natural Classification of Expenses (Continued)

	<u>Project Cares</u>	<u>WIC - Region IV</u>	<u>WIC - Region V</u>	<u>HIV- CDC</u>	<u>CDC- SNAP</u>	<u>DHH Recruiter</u>
Salary	\$ 6,084	\$ 60,973	\$ 68,325	\$102,747	\$20,542	\$ 21,888
Payroll tax	579	5,057	5,728	9,143	1,467	1,753
401(k) contribution	-	1,661	945	1,224	751	738
Insurance	2,362	7,902	9,124	7,178	1,963	1,561
Repairs and maintenance	238	-	-	(50)	-	-
Depreciation	1,692	-	-	3,150	-	262
Supplies	6,894	-	104	20,936	1,711	137
Telephone/ utilities	3,643	-	-	3,972	1	-
Travel	13,498	2,627	1,488	14,560	2,827	3,170
Contract services	180,620	-	-	27,380	-	-
Postage	65	-	-	358	2	689
Printing	-	-	-	736	51	28
Stipends	-	-	-	324	50	-
Consulting	62,489	1,386	-	14,192	162	-
Rent	-	-	-	(270)	-	-
Dues and subscriptions	-	-	-	-	-	-
Equipment	-	-	-	1,276	-	133
Conference registration	10,616	110	220	1,395	-	350
Books and audio-visuals	22	-	-	726	-	-
Meetings	2,443	69	-	2,419	586	13,792
Other	275	89	-	249	150	-
Totals	<u>\$291,520</u>	<u>\$ 79,874</u>	<u>\$ 85,934</u>	<u>\$211,645</u>	<u>\$30,263</u>	<u>\$ 44,501</u>

NOTES TO FINANCIAL STATEMENTS

<u>Diabetes Control</u>	<u>Musicians Clinic</u>	<u>Other Programs</u>	<u>General and Administrative</u>	<u>Totals</u>
\$ 29,550	\$ 16,179	\$ 7,958	\$ 229,136	\$1,321,516
2,342	1,243	480	17,412	103,807
690	-	62	7,980	25,219
4,047	194	4,573	49,891	160,465
-	-	1,018	3,539	5,488
-	-	1,264	-	13,087
889	203	13,038	10,222	107,256
400	855	931	16,596	39,237
2,041	163	5,606	17,844	102,996
-	1,040	2,755	9,305	360,127
63	48	950	5,038	10,365
56	674	2,483	1,689	11,714
-	100	700	-	1,274
50	-	11,078	47,109	180,604
-	-	-	33,753	49,380
-	-	967	9,228	10,195
-	1,367	4,886	16,129	25,962
-	-	1,771	4,833	27,442
-	-	5,517	394	12,116
205	-	8,080	4,581	49,470
28	-	816	8,623	13,471
<u>\$ 40,361</u>	<u>\$ 22,066</u>	<u>\$ 74,933</u>	<u>\$ 493,302</u>	<u>\$2,631,191</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Natural Classification of Expenses (Continued)

<u>2003:</u>	<u>Medical</u> <u>Job Fair</u>	<u>PCE 120</u>	<u>Tobacco</u> <u>Control</u>	<u>AHEC</u> <u>of a</u> <u>Summer</u>	<u>Pfizer</u>
Salary	\$ 37,000	\$ -	\$ 7,405	\$ 1,059	\$ 55,806
Payroll tax 401(k) contribution	3,029	-	707	81	4,883
Insurance	1,541	-	-	-	939
Repairs and maintenance	4,223	-	428	1,977	2,645
Depreciation	-	-	-	-	-
Supplies	-	-	92	-	588
Telephone/ utilities	3,799	12	1,151	5,143	1,374
Travel	681	112	389	784	1,730
Contract services	3,460	2,247	1,381	1,223	5,838
Postage	555	-	60	800	15,015
Printing	1,462	4	173	664	749
Stipends	1,047	3	132	219	1,029
Consulting	-	15,000	-	-	-
Rent	890	-	2,385	3,811	9,680
Dues and subscriptions	300	-	-	-	2,615
Equipment	-	-	525	-	-
Conference registration	-	-	44	-	266
Books and audio-visuals	320	-	630	-	640
Meetings	-	65	-	596	-
Other	40,327	113	196	31	1,959
External appropriation	3,073	250	596	-	-
	-	-	-	-	-
Totals	<u>\$101,707</u>	<u>\$ 17,806</u>	<u>\$ 16,294</u>	<u>\$ 16,388</u>	<u>\$105,756</u>

NOTES TO FINANCIAL STATEMENTS

<u>(HAP)</u> <u>HIV/AIDS</u>	<u>MASH</u>	<u>Parent</u> <u>Liaison</u>	<u>Tobacco</u> <u>Control-</u> <u>Coalition</u>	<u>Americorps</u>	<u>Tobacco</u> <u>Control-</u> <u>Resource</u>	<u>RWJ</u>
\$ 88,680	\$ -	\$ 23,632	\$ 5,375	\$ 233,202	\$ 9,439	\$109,912
7,676	-	2,007	493	17,681	722	9,158
2,891	-	980	-	1,302	-	1,134
4,486	281	4,052	429	10,295	141	11,020
-	-	-	97	50	-	-
229	-	414	-	42	-	3,633
4,060	672	740	145	3,022	5,541	1,777
2,814	175	27	921	5,220	1,214	2,576
8,704	99	1,769	612	4,218	2,277	14,778
-	35	-	30	1,015	-	11,500
168	94	127	193	1,011	98	323
1,084	36	-	134	239	275	894
-	-	-	-	-	476	-
420	6,698	-	189	-	1,752	715
3,872	-	-	575	4,782	537	-
-	-	45	55	250	-	250
321	-	-	22	98	-	306
3,697	-	623	221	635	150	500
-	-	-	38	82	-	25
814	16	437	229	660	236	3,423
-	3,863	-	-	722	-	1,792
-	-	-	-	-	-	-
<u>\$129,916</u>	<u>\$ 11,969</u>	<u>\$ 34,853</u>	<u>\$ 9,758</u>	<u>\$ 284,526</u>	<u>\$ 22,858</u>	<u>\$173,716</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Natural Classification of Expenses (Continued)

	Injury Prevention - <u>Region IV</u>	Injury Prevention - <u>Region V</u>	Project <u>Cares</u>	WIC - <u>Region IV</u>	WIC - <u>Region V</u>
Salary	\$ 28,220	\$ 29,706	\$ 2,497	\$ 66,129	\$ 61,402
Payroll tax	2,358	2,471	263	5,640	5,416
401(k) contribution	-	-	-	1,175	-
Insurance	4,124	3,808	2,338	5,846	8,855
Repairs and maintenance	-	-	-	-	-
Depreciation	-	-	1,692	-	-
Supplies	8,244	6,092	1,480	-	237
Telephone/ utilities	9	-	3,473	-	-
Travel	1,704	3,737	5,684	3,548	1,299
Contract services	-	-	188,041	-	-
Postage	23	27	101	-	-
Printing	217	-	79	-	-
Stipends	-	-	-	-	-
Consulting	50	-	63,891	8,125	27,018
Rent	-	-	-	-	-
Dues and subscriptions	-	-	-	-	215
Equipment	-	(540)	-	-	-
Conference registration	540	175	1,140	90	150
Books and audio-visuals	929	928	7	-	-
Meetings	207	225	1,401	118	60
Other	25	-	1,500	-	152
External appropriation	-	-	-	-	-
Totals	<u>\$ 46,650</u>	<u>\$ 46,629</u>	<u>\$273,587</u>	<u>\$ 90,671</u>	<u>\$ 104,804</u>

NOTES TO FINANCIAL STATEMENTS

HIV - CDC	Telemedicine	DHH Recruiter	Diabetes Control	Other Programs	General and Administrative	Totals
\$ 99,146	\$ -	\$ 4,694	\$ 11,010	\$ 8,613	\$ 170,333	\$1,053,260
9,368	-	359	1,063	691	14,492	88,558
907	-	-	-	-	7,029	17,898
6,934	-	565	1,039	463	28,306	102,255
765	-	-	-	-	5,949	6,861
2,052	-	-	-	2,051	-	10,793
9,216	-	877	4,094	3,764	3,201	64,641
8,882	-	-	312	21	7,789	37,129
19,243	-	495	1,493	3,787	11,687	99,283
7,345	-	-	470	10,731	11,760	247,357
276	-	74	-	1,234	2,713	9,514
1,097	-	-	837	1,989	3,113	12,424
50	-	-	-	-	27,000	42,526
3,762	-	-	1,060	1,165	16,415	148,026
9,320	-	-	-	-	25,438	47,439
275	-	-	28	8,887	6,930	17,460
1,052	-	-	-	11,000	3,795	16,364
1,299	-	-	440	195	2,537	13,982
450	-	-	467	522	1,509	5,618
2,602	-	-	452	5,856	3,176	62,538
1,367	-	90	350	3,907	3,268	20,955
-	<u>177,056</u>	-	-	-	-	<u>177,056</u>
<u>\$185,408</u>	<u>\$ 177,056</u>	<u>\$ 7,154</u>	<u>\$ 23,115</u>	<u>\$ 64,876</u>	<u>\$ 356,440</u>	<u>\$2,301,937</u>

NOTES TO FINANCIAL STATEMENTS

Note 9. Summary of Grants/Contracts Funding

SWLAHEC was funded through the following grants and contracts for the year ended June 30, 2004:

<u>Funding Source</u>	<u>Award Number</u>	<u>Recognized Support</u>
State of Louisiana Department of Health and Hospitals:		
HIV Prevention Program	CFDA #93.940	\$ 91,482
Project Cares	CFDA #93.230	308,826
HIV Prevention Projects for Community-Based Organizations	CFDA #93.939	253,681
2004 Medical Job Fair	CFMS #603091	21,320
DHH Recruiter	CFMS #603091	46,954
Parent Liaison Program	CFMS #602222	40,000
PCE 120	CFMS #595460	5,200
WIC - Region IV	CFDA #10.557	84,694
WIC - Region V	CFDA #10.557	93,534
Injury Prevention - Region IV	CFDA #93.136	49,894
Injury Prevention - Region V	CFDA #93.136	59,960
Tobacco Control	CFDA #93.283	26,700
Diabetes Control	CFDA #93.988	49,060
State of Louisiana Division of Administration:		
Louisiana State University School of Medicine	CFMS #502590	522,941
Robert Wood Johnson Foundation	-	183,743
Tobacco Control - Coalition	-	37,412
Pfizer, Inc.	-	88,925
Corporation for National and Community Service:		
Americorps Grant	CFDA #94.006	284,585
U.S. Department of Health and Human Services:		
Social Network Demonstration Project	200-2003-02870	38,422
Substance Abuse and Mental Health Services	CFDA #93.243	125,350
Others	-	<u>17,410</u>
Total		<u>\$2,430,093</u>

Note 10. Contingent Liabilities

SWLAHEC receives grants for specific purposes that are subject to review and audit by the agencies providing the funding. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.



BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Other Offices:

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Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*
Troy J. Breau, CPA*
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Mary A. Castille, CPA*
Joey Breau, CPA*
Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA* 1980
Leon K. Poché, CPA 1984
James H. Breau, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry C. Broussard, CPA* 1997
Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999
Ralph Friend, CPA 2002

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

To the Board of Directors of
Southwest Louisiana Area Health
Education Center Foundation
Lafayette, Louisiana

We have audited the financial statements of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 7, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of

the internal control over financial reporting that, in our judgment, could adversely affect the Foundation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item #2004-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

This report is intended solely for the information and use of management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Broussard, Locke, Lewis + Arcaux, L.L.P.

Lafayette, Louisiana
December 7, 2004



BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.

C E R T I F I E D P U B L I C A C C O U N T A N T S

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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To the Board of Directors
Southwest Louisiana Area Health
Education Center Foundation
Lafayette, Louisiana

Compliance

We have audited the compliance of Southwest Louisiana Area Health Education Center Foundation (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southwest Louisiana Area Health Education Center Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Southwest Louisiana Area Health Education Center Foundation's compliance with those requirements.

In our opinion, Southwest Louisiana Area Health Education Center Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item #2004-2.

Internal Control Over Compliance

The management of Southwest Louisiana Area Health Education Center Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Southwest Louisiana Area Health Education Center Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Broussard, Roche, Lewis + Breaux, L.L.P.

Lafayette, Louisiana
December 7, 2004

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2004

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified.

Internal control over financial reporting:

- Material weakness identified? Yes No
- Reportable conditions identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Reportable conditions identified that are not considered to be material weaknesses? Yes None Reported

Type of auditors' report issued on compliance for major programs: unqualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.230	Project Cares
93.939	HIV Prevention Activities - Non-Governmental Organization Based
94.006	AmeriCorps

Dollar threshold used to distinguish between type A and type B programs:
\$300,000.

Auditee qualified as low-risk auditee? Yes X No

Section II - Financial Statement Findings

#2004-1 Segregation of Duties

Finding: Due to the size of the Foundation, an adequate segregation of duties does not exist in the administrative offices. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Foundation may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Section III - Federal Award Findings and Questioned Costs

#2004-2 Matching Requirement

Finding: AmeriCorps requires that the Foundation provide a match for the program. In testing the match provided, it was discovered that part of the match is coming from a Federal grant which is a violation of OMB Circular A-133.

Recommendation: The Foundation should contact the grantor to determine the course of action to be taken to resolve this issue. In addition, they should establish procedures to ensure that, in the future, any match required is provided by an allowable source.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

SCHEDULE OF PRIOR FINDINGS
Year Ended June 30, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

#2003-1 Segregation of Duties

Recommendation: : Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: The Foundation has provided as much segregation as possible with the resources available. The finding is repeated in the current year schedule of findings and questioned costs as finding #2004-1.

Section II. Internal Control and Compliance Material to Federal Awards

#2003-2 Distance Learning and Telemedicine Grant

Recommendation: In the future, the Foundation should make sure they fully understand the consequences and requirements of accepting an arrangement such as this and if they choose to accept it, procedures should be established to ensure that all aspects of the arrangement are complied with. In addition, the Foundation should obtain approval from the grantor for the \$5,000 withheld from the proposed Telemedicine site as discussed above.

Current Status: Approval was obtained for the \$5,000 withheld and disbursement was made according to that approval. No such arrangements was entered into in the current year.

#2003-3 WIC Region IV Grant

Recommendation: Procedures should be established to ensure compliance with grant requirements. These could include requiring the grantor to provide training and written guidelines outlining reporting and invoicing procedures on new contracts prior to preparing the initial invoice.

Current Status: Procedures have been established to ensure compliance with grant requirements.

Section III. Management Letter

The prior year's report did not include a management letter.

SOUTHWEST LOUISIANA AREA HEALTH
EDUCATION CENTER FOUNDATION

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>
DIRECT PROGRAMS:		
U.S. Department of Health and Human Services -		
Substance Abuse and Mental Health Services	93.243	1H79SP10554-01
Social Network Demonstration Project	-	200-2003-02870
HIV Prevention Activities - Non-Governmental Organization Based	93.939	U65/CCU618696-04-1
PASS-THROUGH PROGRAMS:		
U.S. Department of Agriculture -		
State Department of Health and Hospitals: Special Supplemental Nutrition Program for Women, Infants and Children (WIC) - Region IV	10.557	N/A
Special Supplemental Nutrition Program for Women, Infants and Children (WIC) - Region V	10.557	N/A
U.S. Department of Health and Human Services -		
State Department of Health and Hospitals: HIV Prevention Activities - Health Department Based	93.940	N/A
Regional Maternal and Child Health Injury Prevention - Region IV	93.136	N/A
Regional Maternal and Child Health Injury Prevention - Region V	93.136	N/A
Tobacco Control	93.283	N/A
Diabetes Control	93.988	N/A
Project Cares	93.230	N/A
Louisiana State University Health Sciences Center:		
Area Health Model Program	93.107	N/A
Corporation for National and Community Service:		
AmeriCorps	94.006	N/A
U.S. Department of Labor -		
Lafayette City-Parish Consolidated Government: Local Workforce Investment Act - Youth Activities	17.259	N/A

<u>Pass-Through Grantor's No.'s</u>	<u>Total Current Year Expenses</u>
-	\$ 125,350
-	38,422
-	253,681
CFMS #583377	84,694
CFMS #592238 and CFMS #605740	93,534
CFMS #606410	91,482
CFMS #577845	49,894
CFMS #577336	59,960
CFMS #591535 and CFMS #605392	26,700
CFMS #609147 and CFMS #602715	49,060
CFMS #580284	308,826
-	76,017
-	284,585
#589	<u>3,310</u>
	<u>\$1,545,515</u>



December 22, 2004

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To: Louisiana Legislative Auditor
Ref: Responses to Audit Findings

JEANNE SOUS
EXECUTIVE DIRECTOR/CEO

Name and address of independent public accounting firm conducting audit:
Broussard, Poche, Lewis & Breaux, LLP
Certified Public Accountants
PO Box 61400
Lafayette, Louisiana, 70596

*Improving health status
through access to
information, education
and health services in
the parishes of:*

Audit period: July 1, 2003 - June 30, 2004

Southwest Louisiana AHEC (SWLAHEC) recently completed its annual independent financial audit. On behalf of SWLAHEC, I respectfully submit the following corrective action plan for fiscal year ending June 30, 2004, as outlined by Federal OMB circular A-133 reporting guidelines. The responses are numbered consistently with the findings in the audit schedule.

- ACADIA
- ALLEN
- BEAUREGARD
- CALCASIEU
- CAMERON
- EVANGELINE
- IBERIA
- JEFFERSON DAVIS
- LAFAYETTE
- ST. LANDRY
- ST. MARTIN
- ST. MARY
- VERMILION

Section II 2004-1

Finding: Segregation of Duties

Auditor's

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Action: Separate bookkeeping staff are assigned to post receivables and make bank deposits. SWLAHEC has increased the use of independent CPA services for periodic review of financial statements and consultation for grant funds management. Executive Director and Board Finance Committee oversight of finances will continue.

Section III 2004-2

Finding: Federal Award Findings and Questioned Costs

Auditor's

Recommendation: The Foundation should contact the grantor to determine the course of action to be taken to resolve this issue. In addition, they should establish procedures to ensure that, in the future, any match required is provided by an allowable source.



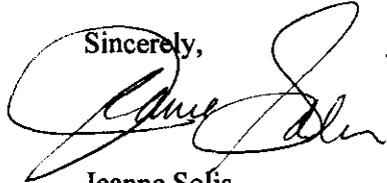
103 INDEPENDENCE BLVD.
LAFAYETTE, LA 70506
(337) 989-0001
1-800-435-AHEC
FAX (337) 989-1401
www.swlahec.com



Action: Written audit response action from the Corporation for National Service (AmeriCorps) will be provided to SWLAHEC in Spring 2005, pending CNS audit completion. Subsequent to CNS notification of Louisiana Serve Commission or SWLAHEC, action will be taken as directed by CNS to further resolve this finding.

Please let me know if you have questions or need further clarification of the information provided herein.

Sincerely,



Jeanne Solis
Executive Director

Enclosures

cc: F. Trahan, CPA, Broussard, Poche, et.al.
SWLAHEC Board of Directors, Finance Committee

//Finance/legis aud response dec 2004